

NATIONAL CREDIT UNION ADMINISTRATION

WASHINGTON, D.C. 20456

June 5, 1991

Richard B. Cappalli
Professor
Temple University
School of Law
1719 N. Broad Street
Philadelphia, PA 19122

Re: Dormant Account Fees
(Your Letter of April 23, 1991)

Dear Mr. Cappalli:

You requested a response from the National Credit Union Administration ("NCUA") regarding several questions: (1) Does the NCUA supervise the Philadelphia Federal Credit Union ("FCU")?; (2) If so, does a federal statute, regulation or other source permit an FCU to charge a "dormant account fee?"; and (3) Could we provide you with a copy of credit unions supervised by NCUA in Pennsylvania?

The NCUA supervises all FCUs, including the Philadelphia FCU. Federal regulations permit FCUs to determine fees on share, share draft and share certificate accounts without regard to state laws. A listing of all federally insured credit unions in Pennsylvania may be purchased from the NCUA Office of Administration for a nominal fee.

ANALYSIS

The NCUA is the chartering and supervisory authority for all FCUs, including Philadelphia FCU. 12 U.S.C. §§1751 et seq., see also 12 C.F.R. Part 701. In addition, the NCUA examines and imposes certain requirements on all credit unions, both FCUs and state-chartered credit unions, insured by the National Credit Union Share Insurance Fund. 12 U.S.C. §§1781 et seq., see also 12 C.F.R. Part 741.

As an FCU, Philadelphia FCU is permitted to "consistent with this Section, other Federal law, and its contractual obligations, determine the type of disclosures, fees or charges,

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time for crediting of deposited funds, and all other matters affecting the opening, maintaining or closing of a share, share draft or share certificate account. State laws regulating such activities are not applicable to FCUs." 12 C.F.R. 701.35. Under this authority, it seems that Philadelphia FCU is permitted to charge dormant account fees. Any state law to the contrary is preempted by federal law. However, if improper disclosures were made, the NCUA Capital Region has jurisdiction to investigate member complaints of Pennsylvania FCUs. A written complaint would be sent to:

Daniel L. Murphy, Capital Region Director
National Credit Union Administration
1776 G St., NW, Suite 800
Washington, DC 20006.

Finally, a list of all federally insured credit unions may be obtained from the NCUA Office of Administration. Please send a request letter and a check or money order for \$12.00 to:

National Credit Union Administration
Office of Administration/ Publications
1776 G St., NW, Suite 700
Washington, DC 20006.

Please request the NCUA Credit Union Directory, NCUA Publication No. 8602. The 1991 edition of this publication is due out in June, so please allow some time for delivery. The NCUA Office of Administration might also provide you with a copy of the Pennsylvania credit union section. Their telephone number is (202) 682-9700.

Sincerely,

Hattie M. Ulan

Hattie M. Ulan
Associate General Counsel

GC/MEC:sg
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